

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

April 29, 2008

The Honorable Edward M. Kennedy
Chairman
Committee on Health, Education, Labor
and Pensions
U.S. Senate
Washington, DC 20510

The Honorable Michael B. Enzi
Ranking Member
Committee on Health, Education, Labor
and Pensions
U.S. Senate
Washington, DC 20510

Re: Student Loan Access (H.R. 5715)

Dear Chairman Kennedy and Ranking Member Enzi:

I write on behalf of the higher education associations listed below, representing the nation's nearly 4,500 two- and four-year, public and private colleges and universities, in support of H.R. 5715.

We are experiencing a period of adjustment in the student loan markets which has consequences that are difficult to predict with any certainty. The recent shifts in lender participation in the Federal Family Education Loan Program (FFELP) are unlike anything we have witnessed before and raise important questions about how this will impact student loan access and whether it could lead to a possible access problem. These questions hinge on experiences that still lie ahead for our schools, since the peak time to process student loan applications begins in May and runs through Labor Day.

Our associations already have encouraged colleges and universities to take proactive steps to assess whether their loan providers will continue to offer loans to their students, whether there is a need to consider alternative financing options and whether participation in the Direct Loan program is a feasible way to navigate these uncharted waters. In this same vein, we regard passage of H.R. 5715 as a timely and responsible intervention by Congress to ensure unimpeded access to student loans, since acting after all the evidence has been collected could result in some students having to forfeit their college plans.

In combination with grant assistance, the federal commitment to ensuring access to a postsecondary education for every American qualified to attend has always ensured that individuals with no credit history and no assets except their enhanced future earnings potential would have access to the loans they needed to finance a college education. H.R. 5715, which now has support from the administration for the secondary market and lender of last resort provisions, upholds this longstanding promise by ensuring that should they be needed,

The Honorable Edward M Kennedy and The Honorable Michael B. Enzi
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appropriate failsafe mechanisms are in place to guarantee that there will be no interruption in access to student loans this fall.

We urge your support for this legislation.

Sincerely,



David Ward
President

DW\ksm

On behalf of:

American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Jesuit Colleges and Universities
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges

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